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## **Department of Revenue sets 2005-2006 homestead exemption**

**FRANKFORT, Ky.—** The maximum homestead exemption on real estate owned by qualified persons has been set at \$29,400 for the 2005 and 2006 tax periods. The 2005-2006 exemption reflects a \$1,400 increase over the 2003-2004 exemption of \$28,000.

The amount of the homestead exemption is adjusted every two years in accordance with KRS 132.810 to compensate for changes in the purchasing power of the dollar. The exemption provides state and local property tax savings of approximately \$113 million for more than 375,000 elderly or disabled Kentuckians during the 2005 tax year. Property owners who do not qualify for the exemption will absorb this amount through the compensating property tax rate process.

To qualify for the homestead exemption, a person must be at least 65 years old during the tax period or have been classified as totally disabled by any public or private retirement system. The property must also be owned, occupied and maintained by the taxpayer as a personal residence on the January 1 assessment date. Disabled persons less than 65 years of age must make an application on an annual basis.